

# BUILDING RESILIENT HEALTHCARE SYSTEMS THROUGH IMPROVED GOVERNANCE AND COORDINATION

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## Structural reform and organizational autonomy in public hospital systems: What we know

### The **good** news

- Improved the sense of hospital-level **ownership**
- Improved hospital **management processes**
- Enhanced **organizational identity**
- Increased **motivation** to perform and to keep up with other hospitals
- Likely positive impacts on **quality of care**, but evidence on outcomes such as quality of care is mixed and overall less convincing than evidence on processes

### The **bad** news

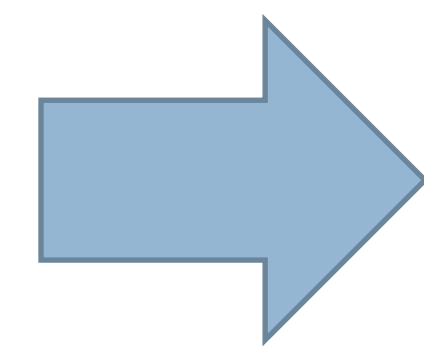
- Challenged national (central) **coordination and governance**
- Raised concerns about the **efficiency** of hospital systems as a whole and **financial sustainability**
- Gave rise to **competition** between public hospitals for financial resources and medical staff
- Raised concerns about **overprovision** of services and a “**chase after money**” at the expense of **collaboration** between hospitals and **patients’ interests**



Figure 1: Coordination

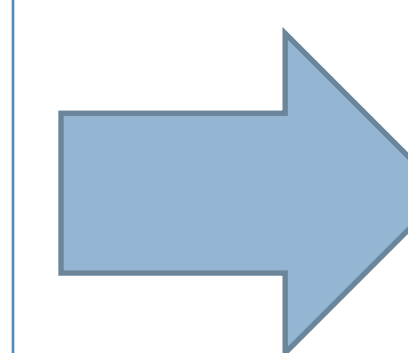
## Proposed framework for assessing national coordination of publicly-owned hospitals

### *Decentralization and hospital autonomy*



### *Coordination problems*

- Repetition<sup>1</sup> (redundancy)
- Omission<sup>2</sup> (lacunae)
- Contradictions<sup>3</sup>
- Divergence<sup>4</sup>



### *Effects of coordination problems*

- Systemic **inefficiencies**
- Financial **unsustainability**

### Explanatory factors

#### 1. Healthcare **institutions and culture**

- Formal institutions
  - **Type of healthcare system** (national health service, social insurance)
- Informal institutions and culture
  - The role of the **medical profession**

#### 2. Incomplete **information and monitoring**

#### 3. **Conflicting goals**

### How policy makers can use the framework to assess the need for coordination

- By recognizing that healthcare reform is inherently complex and leads to various **trade-offs** and **paradoxes**
- Stronger central governance is likely to improve coordination of the system of public hospitals as a whole, but it may affect local initiative, innovation and motivation of hospital managers
- National coordination efforts may meet with **managerial and professional resistance**
- **Political feasibility** depends on political orientation – stronger governance and coordination are on the agenda of social democratic parties whereas center-right parties are more inclined towards decentralization and autonomy

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## Notes

1. When for example two different hospitals perform the same task that could be performed more efficiently and effectively in one place only
2. Gaps in performing a needed task so that a task ultimately ends up not being performed by any hospital
3. Differences in policy, legislation or regulations governing hospitals that contradict one another
4. Self-interested action by a particular hospital that affects the system of hospitals as a whole